

## DEPARTMENT OF HEALTH SERVICES

4/744 P STREET  
SACRAMENTO, CA 95814

July 15, 1988

Letter No.: 88-48

All County Welfare Directors  
All County Administrative OfficersSUBJECT: ERROR PREVENTION ACTIVITIES-UNEARNED INCOME ASSOCIATED WITH  
RETIREMENT PROGRAMS AND BENEFICIARIES' FAILURE TO REPORT.

The purpose of this letter is to inform counties about annual Cost of Living Adjustments (COLAs) associated with the following programs:

State Teachers Retirement (STRs)  
Public Employees Retirement (PERs)  
Civil Service Annuities  
Railroad Retirement  
Veterans Administration Benefits

Case reviews have shown that many of these COLAs are overlooked until the annual redetermination process, thus resulting in understated shares of cost. By identifying the effective date of these increases and taking appropriate action, counties can significantly reduce errors attributed to the client's failure to report these earnings.

The annual COLAs are as follows:

<u>Program</u>	<u>Month of Receipt</u>
State Teachers Retirement (STRs)	October*
Public Employees Retirement (PERs)	May
Civil Service Annuities	April
Railroad Retirement	January
Veterans Administration	January

We recommend counties set up ticklers, move the annual redetermination date to the corresponding COLA month for those cases with the above unearned income, or send out status reports in those months that COLAs are effective.

\*Subject to additional quarterly adjustments beyond the initial October allocation.

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If you have any questions please contact the Corrective Action analyst assigned to your county.

Sincerely,

Original signed by

Frank S. Martucci, Chief  
Medi-Cal Eligibility Branch

cc: Medi-Cal Liaisons  
Medi-Cal Program Consultants

Expiration Date: June 30, 1989